

Information for the Pool Cap Contingency Formula form

In the Memorandum of Understanding between UDOT and FHWA for the 2005-2007 General Engineering Services and Local Government Pool, Consultant Services agreed that we would track pool dollars in an effort to ensure that no consultant would exceed the pool cap of \$1 million dollars in the General Engineering Services Pool and \$750K in the Local Government Pool.

We have arrived at that point during the pool period where consulting firms have acquired enough contract commitments to cause us some concern. We need to be able to assure funds are available to complete all existing contracts and potential mods that consultants have before we write new contracts.

With this in mind, we have established a formula to identify the amount of dollars a consultant would have available to use for new contracts, with 75% of the pool cap as the critical threshold point for evaluation to begin this analysis. This form, Pool Cap Contingency Formula, is now available on our website.

We believe that the contract dollars most at risk for modifications are those contract dollars that have yet to be billed by the consultant. Therefore in the formula, we are removing from the "risk" element, the dollar amounts that the Comptroller's office has paid to date on 2005-2007 pool contracts. Consultant Services may remove other amounts at our discretion from the calculation.

Consultant Services will determine the "UDOT at risk" amount and "reserve" 25% of this figure for potential mods. From this "management" figure, we will "reserve" 25% of this figure for potential mods and the remaining balance would be available for possible new contracts.

Keep in mind that this formula would be fluid and the figure for any one consultant would fluctuate depending on the Comptroller's office processing additional invoices, or the consultant obtaining additional new contracts or mods. We also would like to keep the consultant below 90% of the pool cap until all projects have been paid in full or closed out (in FiNET) and the consultant provides us with written assurance that they will not exceed the pool caps.

If you would like assistance in calculating your firm's figures, please contact Raeleen Sanchez at raeleen@utah.gov.